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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/034,419

12/27/2001

George H. Butcher,

7056.049

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32361 7590 06/12/2007  
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EXAMINER

DASS, HARISH T

ART UNIT

PAPER NUMBER

3693

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DELIVERY MODE

06/12/2007

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/034,419	<b>Applicant(s)</b> BUTCHER,, GEORGE H.	
	<b>Examiner</b> Harish T. Dass	<b>Art Unit</b> 3693	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 02 April 2007.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-54 and 58-60 is/are pending in the application.
- 4a) Of the above claim(s) 1-54 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 58-60 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
     Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
     Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## **DETAILED ACTION**

### ***Status of Claims:***

Claims 1-54 are withdrawn, and claims 55-57 are canceled.

### ***Claim Rejections - 35 USC § 112***

1. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 58-60 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 58 recites the limitation "the issuance" in line 3. There is insufficient antecedent basis for this limitation in the claim.

### ***Claim Rejections - 35 USC § 103***

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 58-60 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ramm (US 2002/0077955 A1) in view of David F. Babbel et al. "Inverse Floaters and Income Stability of a Debt Securities Investment Portfolio", Journal of Portfolio Management, winter 2000 (hereinafter Babbel).

Art Unit: 3693

Re. Claim 58, Ramm discloses obtaining bond proceeds associated with a portfolio containing at least two bonds [paragraphs 05, 14], wherein each of the bonds has a respective bond term and a respective bond yield, wherein the portfolio has a term overlapping at least the terms of each of the bonds, wherein an aggregate bond yield is formed of a combination of the yields of each of the bonds, and wherein the bond proceeds comprise at least part of the yield restricted monies [Abstract; figures 5-7; paragraphs 89-91]; and

investing, for at least part of the term of a first one of the bonds contained in the portfolio, at least part of the bond proceeds in a tax-exempt financial instrument, wherein the financial instrument has a first rate of return which varies substantially inversely with regard to a second rate of return of a financial instrument, and wherein the bond proceeds achieve an aggregate return, over the term of the portfolio, above the aggregate bond yield to which the bond proceeds would otherwise be restricted by regulation [Figures 2-3, 5-6; paragraphs 03-04, 26, 42, 89-91]. Ramm does not explicitly disclose inverse-floater and wherein the inverse-floater financial instrument has a first rate of return which varies substantially inversely with regard to a second rate of return of a floater financial instrument, and where the bond proceeds are from the issuance of the bonds by a bond issuer, and bond issuer. However, Babbel discloses these features [see entire document particularly pages 1-6, also see T-Note are issued by Treasury]. It is obvious that the bonds are issued by the issuer such as T-Notes are issued by the Treasury, NY Municipal bonds by NY State, etc and an interest is paid by issuer to an investor (bond holder). It would have been obvious at the time the invention was made

to a person having ordinary skill in the art to modify the disclosure of Ramm and include inverse-floater and wherein the inverse-floater financial instrument has a first rate of return which varies substantially inversely with regard to a second rate of return of a floater financial instrument, and where the bond proceeds are from the issuance of the bonds by a bond issuer, and bond issuer, as disclosed by Babbel, to invest in inverse floaters where each debt security has different risk characteristics and choose investments strategy that best fit the desire risk portfolio.

Re. Claim 59-60, Ramm discloses wherein the term of the first one of the bonds in the portfolio differs from the term of a second one of the bonds in the portfolio, and investing, for at least part of the term of the first one of the bonds in the portfolio, at least part of the bond proceeds in the financial instrument [Figures 5-7; paragraphs 89-91]. Babbel discloses bond issuer and proceeds from the issuance of the bonds. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Ramm and include bond issuer and proceeds from the issuance of the bonds, as disclosed by Babbel, to invest in inverse floaters where each debt security has different risk characteristics and choose investments strategy that best fit the desire risk portfolio.

### ***Response to Arguments***

1. Applicant's arguments with respect to amended limitations of pending claims have been considered but are moot in view of the new ground(s) of rejection.

***Conclusion***

2. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Applicant is required under 37 CFR ' 1.111 (c) to consider the references fully when responding to this action.

"Oppenheimer Main Street California Tax-Exempt Fund", supplement dates September 9, 1994 to the Prospectus dated October 25, 1993 (SEC Info – Oppenheimer Main Street Funds Inc – 497 – On 9/12/94) discloses Inverse floaters and other derivatives investment and restrictions, and ability of the issuer of the derivative investment to pay the amount due on the maturity of the investment.

Art Unit: 3693

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Harish T. Dass whose telephone number is 571-272-6793. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James A. Kramer can be reached on 571-272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Harish T Dass  
Examiner  
Art Unit 3693



6/5/07